

[The Washington Post]

METRO

THURSDAY, MAY 26, 2005

Spending Plan Needs Closer Look, Officials Say

Montgomery to Pass \$3.6 Billion Budget

By TIM CRAIG
Washington Post Staff Writer

Montgomery County Council member Michael Knapp and his colleagues are expected to give final approval today to a new budget. But Knapp would be the first to say he doesn't really know what he's voting on.

"If you kind of go through a lot of documents, you could probably put it together," said Knapp (D-Upcounty). "But there is not a single place that I found that identifies each [county] program and what it is they are trying to accomplish."

Knapp raises a point largely overlooked in the annual budget review: The weeks of intense debate involved a mere fragment of the \$3.6 billion plan, about \$264 million in new spending proposed by County Executive Douglas M. Duncan (D).

The rest of the established "base budget" — primarily devoted to schools, public safety and social services — was never on the table.

According to council members and staff members, the last major reductions to the



Michael Knapp
says most county
spending is not
closely examined.

M A R Y L A N D

Montgomery Prepares to Approve Budget

MONTGOMERY, From B1

base budget occurred during the recession of the early 1990s, when employees' cost-of-living raises were suspended and several hundred positions were eliminated.

Members said they are frustrated that their deliberations never really get to the heart of where taxpayers' money goes. But they said that would require a dramatically expanded budget process.

"We would need twice as much staff and twice as much time to deal with the base," said Steven A. Silverman (D-At Large). "The budget process is biased in favor of anybody who has been lucky enough to get in the budget already."

The result, council members and some community activists said, is a budget debate that hasn't caught up with the county's changing demographics. Programs designed to serve the county's population of the 1980s and 1990s survive largely unscathed, while those designed to respond to the needs of emerging communities face long odds.

"I don't think Montgomery County is looking at the long term. They are not thinking visionary," said Pilar Torres, executive director of Centro Familia, which promotes early child care and education for immigrants.

About 52 percent of Montgomery's budget goes to schools, and 36 percent funds county government, including health and human services, police, fire and public works. Montgomery Col-

lege receives 5 percent of taxpayers' money, while reserve funds and the Maryland National Capital Park and Planning Commission each get about 3 percent.

About \$8 of every \$10 goes toward payroll and retirement costs for employees.

Even some of the \$264 million proposed by Duncan was already obligated. Fixed costs, such as labor contracts, meant that council members were arguing over about \$100 million, a portion of which they wanted to return to homeowners in the form of property tax rate reductions.

While they acknowledged that shaping the budget is the council's responsibility, several members said the Duncan administration also has fallen short in scrutinizing spending.

Knapp said that during hearings he asked county officials what they cut from the base budget to make room for initiatives in their 2006 spending plan. Knapp, who wants a complete review of county priorities, said the response was "zero."

Council President Tom Perez (D-Silver Spring) said he asked similar questions of department heads. "Everyone said, 'We took a look at it and we need everything,'" Perez said.

Few governments do what's called zero-base budgeting. Like Montgomery, most work off the previous year's budget.

Beverly Swaim-Staley, director of the Office of Management and Budget, said officials are constantly looking at agencies' spending plans. For

example, she said, for the fiscal year that begins July 1, Duncan reduced a planned expansion of the Ride On bus fleet, saving \$3.3 million.

"It is part of what goes on every day," said Swaim-Staley, adding that council members have full access to data that detail exactly how county money is spent.

Duncan also has taken a number of steps over the years to address the needs of emerging communities.

Funding for health care, affordable housing and translation services has increased, and the investments in the school system have enabled Montgomery schools to consistently rank near the top despite an influx of non-English-speaking students, said David Weaver, a Duncan spokesman.

To prevent the bureaucracy from growing too comfortable, both the administration and the County Council do comprehensive reviews and audits of different programs and departments each year to evaluate performance, effectiveness and expense.

Council member Phil Andrews (D-Gaithersburg) said the real problem is that the council and Duncan are afraid to tackle the underlying reasons, such as expensive labor contracts, for the county budget's growth of more than 80 percent in the past decade.

"I would say we do deal with the base each year," Andrews said. "The challenge is changing the base."